

**MONTEBELLO OVERSIGHT BOARD
AGENDA STAFF REPORT**

TO: Honorable Chair and Members of the Oversight Board

FROM: Francesca Tucker-Schuyler, Executive Director of Successor Agency

BY: Christopher G. Cardinale, Successor Agency Legal Counsel

SUBJECT: Consideration of Successor Agency's Administrative Budget for the July 2014 through June 2015 Fiscal Year

DATE: February 26, 2014

OBJECTIVE

Obtain Oversight Board approval of the Successor Agency's administrative budget for the July 2014 through June 2015 fiscal year.

BACKGROUND

The Community Redevelopment Agency of the City of Montebello ("**Agency**") was dissolved effective February 1, 2012 by way of Assembly Bill ("**AB**") 1x 26 and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*. As authorized by AB 1x 26 (as subsequently amended by AB 1484, the "**Dissolution Act**"), the City Council of the City of Montebello ("**City**") adopted a resolution electing to serve as the "successor agency" to the dissolved Agency (the "**Successor Agency**"), and thereby assumed responsibility for winding down the Agency's affairs.

The Successor Agency's responsibilities include preparing an administrative budget for consideration and approval by the Oversight Board.¹ The proposed administrative budget is required to include: (1) estimated amounts for successor agency administrative costs, (2) proposed sources of payment for administrative costs, and (3) proposals for arrangements for administrative / operations services provided by the City.² Like all Oversight Board actions, the Oversight Board's approval of an administrative budget is subject to review by the Department of Finance.

DISCUSSION

In compliance with Dissolution Act mandates, Successor Agency staff has prepared an administrative budget for the Oversight Board's consideration. The proposed budget outlines administrative expenses estimated to be incurred by the Successor Agency in the upcoming fiscal year (July 2014 through June 2015), indicates that such expenses will be funded from the

¹ HSC § 34177(j).

² HSC § 34177(j)(1)-(3).

Successor Agency's "administrative cost allowance," and provides that services will be coordinated with the City where possible. Upon Oversight Board approval, Successor Agency staff will transmit the administrative budget to DOF for review.

RECOMMENDATION

It is recommended that the Oversight Board adopt the attached resolution approving the attached Successor Agency administrative budget for the 2014-2015 fiscal year.

City of Montebello Successor Agency
Administrative Budget
Fiscal year ended 6.30.15

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Pension Cotribution to Former RDA Empls	1,540	1,540	1,540	1,540	1,540	1,540	1,540	1,540	1,540	1,540	1,540	1,540	18,484
Accounting costs for ROPS Preparation and aother admin functions	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000
Allocation of Payroll Cost for Economic Developmpment													
Perrsonnel	8,318	8,318	8,318	8,318	8,318	8,318	8,318	8,318	8,318	8,318	8,318	8,318	99,820
Property Mgt Plan Admin Portion	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	19,500
Legal Administrative Costs	5,183	5,183	5,183	5,183	5,183	5,183	5,183	5,183	5,183	5,183	5,183	5,183	62,196
	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 250,000

Payment Source – Administrative Cost Allowance / RPTTF
Arrangements w/ City re Administrative Services – Successor Agency will utilize City staff / contracted professional service providers to provide administrative support as appropriate

OVERSIGHT BOARD RESOLUTION NO._____

**A RESOLUTION OF THE MONTEBELLO OVERSIGHT
BOARD APPROVING AN ADMINISTRATIVE BUDGET
FOR THE MONTEBELLO SUCCESSOR AGENCY FOR
JULY 1, 2014 TO JUNE 30, 2015**

WHEREAS, the former Community Redevelopment Agency of the City of Montebello (“Agency”) was a community redevelopment agency organized and existing under the California Redevelopment Law;

WHEREAS, the Agency was dissolved effective February 1, 2012, by way of Assembly Bill (“AB”) 1x26 (as subsequently amended by AB 1484, the “Dissolution Act”) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231;

WHEREAS, the Dissolution Act created a “successor agency” for each dissolved redevelopment agency, and charged them with completing various tasks and obligations geared towards “winding down” the affairs of their respective redevelopment agency;

WHEREAS, the Dissolution Act also created an “oversight board” for each successor agency, and charged them with overseeing, reviewing, and approving enumerated successor agency actions;

WHEREAS, by resolution of the City Council, the City of Montebello serves as the successor agency to the dissolved Agency (“Successor Agency”), and the Montebello Oversight Board is the statutorily created oversight board for the Successor Agency (“Oversight Board”);

WHEREAS, the Dissolution Act requires the Successor Agency to prepare a proposed administrative budget for submission to the Oversight Board;

WHEREAS, the administrative budget is required to include estimated amounts for Successor Agency administrative costs, proposed sources of payment for such costs, and proposals for arrangements for administrative and operations services provided by a city; and

WHEREAS, the administrative budget is subject to review and approval by the Oversight Board, and thereafter by the California State Department of Finance.

**NOW THEREFORE, THE MONTEBELLO OVERSIGHT BOARD
HEREBY FINDS, DECLARES, AND RESOLVES AS FOLLOWS:**

SECTION 1. The foregoing Recitals are incorporated into this Resolution by this reference, and constitute a material part hereof.

SECTION 2. The Oversight Board hereby approves the Successor Agency's Administrative Budget as such is attached hereto this Resolution.

SECTION 3. The Oversight Board hereby authorizes and directs Successor Agency staff to submit the Administrative Budget to the California State Department of Finance for review, and to take such further actions with respect thereto as is required by the Dissolution Act.

SECTION 4. The Oversight Board Secretary shall certify to the passage and adoption of this resolution, which shall become effective immediately upon adoption.

PASSED, APPROVED and ADOPTED this 26th day of February, 2014.

Richard Bruckner, Chairman

ATTEST:

Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City of Montebello Oversight Board at a special meeting held on the 26th day of February, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

VACANT: Chancellor of the California Community Colleges Appointee

Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board